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UNITED STATES FEDERAL ELECTION COMMISSION

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TYLER ERDMAN,

OFFICE OF CLERK

A Private Citizen

Weston, Connecticut 06883

Mur No. **7005**

Petitioner,

-against-

ADAM VICTOR, TRANSGAS ENERGY SYSTEMS LLC,  
TRANSGAS DEVELOPMENT SYSTEMS LLC, GAS  
ALTERNATIVE SYSTEMS, INC., PROJECT ORANGE  
ASSOCIATES LLC, ADAM VICTOR & SON STABLE LLC  
and ADAM VICTOR GRANTOR TRUST,

630 First Avenue

New York, New York 10016  
(212) 725-0427

Respondents.

1. For his Federal Election Commission Complaint against Adam H. Victor ("Victor"), TransGas Development Systems LLC, Adam Victor Grantor Trust, Project Orange Associates, LLC, Gas Alternative Systems, Inc. and Adam Victor and Sons Stables (collectively,

“the Victor Entities” and together with Victor, “Respondents”), Tyler Erdman (“Erdman” or “Complainant”) states as follows, under oath and pursuant to 18 U.S.C. §1001:

### **PARTIES**

2. Victor is a citizen of the State of New York, residing at 630 First Avenue, New York, New York 10016.

3. The Victor Entities are juridical entities owned or controlled by Victor. Each of the Victor Entities is organized pursuant to the laws of the State of New York and has its headquarters at (or operates out of) 630 First Avenue, New York, New York 10016.

4. Erdman is a citizen of the State of Connecticut, residing at Weston, Connecticut 06883. Erdman was formerly employed by Victor and the Victor Entities as an information technology professional.

5. In his capacity as an employee of Victor and/or the Victor Entities, Erdman learned that Victor was presiding over an elaborate “straw man” campaign contribution scheme designed to shield his illegal campaign contributions to at least two federal candidates during the 2010 and 2012 election campaign cycles. The details of Victor’s straw man scheme is outlined below.

### **THE FEC’S AUTHORITY/JURISDICTION**

6. The Federal Election Campaign Act (“FECA” or “the Act”) of 1971, as amended (2 U.S.C. §431, et seq., 52 U.S.C. §30101, et seq.) places limits on and requires the accurate public reporting of campaign contributions made in connection with the election of candidates for federal office, including campaign contributions made to candidates

for the offices of United States Senator and President of the United States (collectively, "federal candidates").

7. The Act limits the amount and source of money that can be contributed to federal candidates or their authorized campaign committees.

8. The Act, and regulations promulgated pursuant to it, further prohibits any person from making a contribution to a federal candidate or their authorized campaign committees in the name of another person, including by reimbursing any third person either before or after that third person's contribution. *See, e.g.*, 52 U.S.C. §30122; 11 C.F.R. §110.4(b)(1).

9. In 2010, the Act, and regulations promulgated pursuant to it, limited both primary election and general election contributions from any individual to a federal candidate or their authorized campaign committee to \$2,400, or a total of \$4,800 from any individual to any one federal candidate.

10. In 2012, the Act, and regulations promulgated pursuant to it, limited both primary election and general election contributions from any individual to a federal candidate or their authorized campaign committee to \$2,500, or a total of \$5,000 from any individual to any one federal candidate.

11. Pursuant to 52 U.S.C. §30109(a)(1) and (a)(2), the Federal Election Commission ("FEC") is empowered to investigate complaints made by any person who believes that a violation of the Act has occurred.

12. The FEC is empowered to enter into a conciliation agreement with any person or entity it believes has committed a violation of the Act. Such conciliation agreements

may contain provisions requiring the person or entity that is a party to it to pay a civil penalty to the FEC.

13. If the FEC is unable to enter into a conciliation agreement, it may bring a civil action against any person or entity that it believes has committed a violation of the Act. In bringing such actions, the FEC can seek appropriate relief, including injunctive relief and civil penalties.

14. If the FEC determines that there is probable cause to believe that a knowing and willful violation of the Act has occurred, it may refer the matter to the Attorney General for the United States for criminal prosecution. Criminal violations of the Act are punishable by fines (to be determined pursuant to Title 18 of the United States Code) and/or a term of imprisonment not to exceed five years.

#### **FACTUAL BACKGROUND**

15. The undersigned has reason to believe that Respondents have committed violations of 52 U.S.C. §30122, 11 C.F.R. §110.4(b)(1) and 18 U.S.C. §1001 and requests that the FEC investigate these violations and seek appropriate civil and criminal remedies for them.

#### **Respondents Used Employees And Business Associates As Straw Donors**

16. Marta Grabowska ("Grabowska"), a resident of the State of New York, was an employee of Victor and/or the Victor Entities during 2011 and 2012.

17. FEC records show that Grabowska purportedly made the following campaign contributions:

Name	Date	Recipient	Amount
Marta Grabowska	3/29/2011	Manchin for West Virginia	\$2,500.00
Marta Grabowska	3/29/2011	Manchin for West Virginia	2,500.00
Marta Grabowska	11/9/2011	Friends of Herman Cain	2,500.00
<b>Total</b>			<b>\$7,500.00</b>

18. On March 29, 2011, Manchin for West Virginia was the principal campaign committee for Joe Manchin III, then a candidate for the office of United States Senator from West Virginia.

19. On November 9, 2011, Friends of Herman Cain was the principal campaign committee for Herman Cain, then a candidate for the office of President of the United States.

20. In fact, each of the contributions purportedly made by Grabowska were paid by Victor or one of the Victor entities. Prior to or shortly after Grabowska's transmittal of her purported contributions to the campaign committees noted, Victor or one of the Victor Entities paid to Grabowska amounts equal to the purported contributions.

21. Victor and/or the Victor Entities used Grabowska as a "straw donor" and, on each of the occasions noted above, made a contribution in the name of another in violation of 52 U.S.C. §30122 and 11 C.F.R. §110.4(b)(1).

22. Records that, upon information and belief, are maintained by, among others, Signature Bank with respect to accounts controlled by Respondents show checks being paid to Grabowska under her married name, Marta Dani, at or about the dates she purportedly made the contributions noted above. These checks include, upon information and belief, without limitation, check number 2231, drawn on a Signature Bank account controlled by the Adam Victor Grantor Trust, and check number 1440 drawn on a Signature Bank account controlled by Project Orange Associates LLC.

23. Grabowska purportedly made the contributions noted to the Manchin for West Virginia committee on or about the same date that three additional employees and/or associates of Respondents, Victor's wife and his four children made similar contributions to that committee.

24. Upon information and belief, Victor caused the Manchinn for West Virginia and Friends of Herman Cain committees to falsely record that the contributions purportedly made by Grabowska were actually made by her, when, in fact, Grabowska was a "straw donor", with Victor and/or the Victor Entities making the actual contribution. In causing these false records to be generated and filed with the FEC, Victor and or the Victor Entities violated 18 U.S.C. §1001(a).

25. Nana Yoshioka ("Yoshioka"), a resident of the State of New York, was an employee of Victor and/or the Victor Entities during 2011 and 2012. FEC records show that Yoshioka purportedly made the following campaign contributions:

Name	Date	Recipient	Amount
Nana Yoskioka	3/29/2011	Manchin for West Virginia	\$2,500.00
Nana Yoskioka	3/29/2011	Manchin for West Virginia	2,500.00
Nana Yoskioka	1/17/2012	Friends of Herman Cain	2,500.00
<b>Total</b>			<b>\$7,500.00</b>

26. On March 29, 2011, Manchin for West Virginia was the principal campaign committee for Joe Manchin III, then a candidate for the office of United States Senator from West Virginia.

27. On January 17, 2012, Friends of Herman Cain was the principal campaign committee for Herman Cain, then a candidate for the office of President of the United States.

28. In fact, each of the contributions purportedly made by Yoshioka were paid by Victor or one of the Victor entities. Prior to or shortly after Yoshioka's transmittal of her purported contributions to the campaign committees noted, Victor or one of the Victor Entities paid to Yoshioka amounts equal to the purported contributions.

29. Victor and/or the Victor Entities used Yoshioka as a "straw donor" and, on each of the occasions noted above, made a contribution in the name of another in violation of 52 U.S.C. §30122 and 11 C.F.R. §110.4(b)(1).

30. Records that, upon information and belief, are maintained by, among others, Signature Bank with respect to accounts controlled by Respondents show checks being paid to Yoshioka at or about the dates she purportedly made the contributions noted above. These checks include, upon information and belief, without limitation, check number 1139,

drawn on a Signature Bank account controlled by the Project Orange Associates LLC, and check number drawn on a Signature Bank account controlled by Adam Victor.

31. Yoshioka purportedly made the contributions noted to the Manchin for West Virginia committee on or about the same date that three additional employees and/or associates of Respondents, Victor, his wife and his four children made similar contributions to that committee.

32. Upon information and belief, Victor caused the Manchin for West Virginia and Friends of Herman Cain committees to falsely record that the contributions purportedly made by Yoshioka were actually made by her, when, in fact, Yoshioka was a "straw donor", with Victor and/or the Victor Entities making the actual contribution. In causing these false records to be generated and filed with the FEC, Victor and/or the Victor Entities violated 18 U.S.C. §1001(a).

33. Randall Harris ("Harris") was an employee of Victor and/or the Victor Entities during 2011 and 2012.

34. FEC records show that Harris purportedly made the following campaign contributions:

Name	Date	Recipient	Amount
Randall Harris	12/30/2011	Manchin for West Virginia	\$2,500.00
Total			\$2,500.00



35. On December 30, 2011, Manchin for West Virginia was the principal campaign committee for Joe Manchin III, then a candidate for the office of United States Senator from West Virginia.

36. In fact, the contribution purportedly made by Harris was paid by Victor or one of the Victor entities. Prior to or shortly after Harris' transmittal of his purported contribution to the campaign committee noted, Victor or one of the Victor Entities paid to Harris amounts equal to the purported contributions.

37. Victor and/or the Victor Entities used Harris as a "straw donor" and, on the occasions noted above, made a contribution in the name of another in violation of 52 U.S.C. §30122 and 11 C.F.R. §110.4(b)(1).

38. Records that, upon information and belief, are maintained by, among others, Signature Bank with respect to accounts controlled by Respondents show at least one check being paid to Harris at or about the date he purportedly made the contribution noted above. These records include, upon information and belief, check number 1252, drawn on a Signature Bank account controlled by Transgas Development Systems. This check contained the memo line "reimbursement".

39. Upon information and belief, Victor caused the Manchin for West Virginia committee to falsely record that the contribution purportedly made by Harris was actually made by him, when, in fact, Harris was a "straw donor", with Victor and/or the Victor Entities making the actual contribution. In causing these false records to be generated and filed with the FEC, Victor and/or the Victor Entities violated 18 U.S.C. §1001(a).

40. Gary Coulter ("Coulter"), a resident of the State of New Jersey, was an employee of Victor and/or the Victor Entities during 2011 and 2012.

41. FEC records show that Coulter purportedly made the following campaign contributions:

Name	Date	Recipient	Amount
Gary Coulter	3/29/2011	Manchin for West Virginia	\$2,500.00
Gary Coulter	1/17/2012	Friends of Herman Cain	\$500.00
Total			\$3,000.00

42. On March 29, 2011, Manchin for West Virginia was the principal campaign committee for Joe Manchin III, then a candidate for the office of United States Senator from West Virginia.

43. On January 17, 2012, Friends of Herman Cain was the principal campaign committee for Herman Cain, then a candidate for the office of President of the United States.

44. Upon information and belief, each of the contributions purportedly made by Coulter were paid by Victor or one of the Victor entities. Prior to or shortly after Coulter's transmittal of his purported contributions to the campaign committees noted, Victor or one of the Victor Entities paid to Coulter amounts equal to the purported contributions.

45. Victor and/or the Victor Entities used Coulter as a "straw donor" and, on each of the occasions noted above, made a contribution in the name of another in violation of 52 U.S.C. §30122 and 11 C.F.R. §110.4(b)(1).

46. Records that, upon information and belief, are maintained by, among others, Signature Bank with respect to accounts controlled by Respondents show checks being paid to Coulter at or about the dates he purportedly made the contributions noted above.

47. Coulter purportedly made the contributions noted to the Manchin for West Virginia committee on or about the same date that three additional employees and/or associates of Respondents, Victor, his wife and his four children made similar contributions to that committee.

48. Upon information and belief, Victor caused the Manchin for West Virginia and Friends of Herman Cain committees to falsely record that the contributions purportedly made by Coulter were actually made by him, when, Coulter was a "straw donor", with Victor and/or the Victor Entities making the actual contribution. In causing these false records to be generated and filed with the FEC, Victor and/or the Victor Entities violated 18 U.S.C. §1001(a).

49. Noel Daley ("Daley"), a resident of the State of New Jersey, was an employee of Victor and/or the Victor Entities during 2011 and 2012.

50. FEC records show that Daley purportedly made the following campaign contributions:

Name	Date	Recipient	Amount
Noel Daley	3/29/2011	Manchin for West Virginia	\$2,500.00
Noel Daley	3/29/2011	Manchin for West Virginia	\$2,500.00
Total			\$5,000.00

51. On March 29, 2011, Manchin for West Virginia was the principal campaign committee for Joe Manchin III, then a candidate for the office of United States Senator from West Virginia.

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52. Upon information and belief, each of the contributions purportedly made by Daley were paid by Victor or one of the Victor entities. Prior to or shortly after Daley's transmittal of his purported contributions to the campaign committees noted, Victor or one of the Victor Entities paid to Daley amounts equal to the purported contributions.

53. Victor and/or the Victor Entities used Daley as a "straw donor" and, on each of the occasions noted above, made a contribution in the name of another in violation of 52 U.S.C. §30122 and 11 C.F.R. §110.4(b)(1).

54. Records that, upon information and belief, are maintained by, among others, Signature Bank with respect to accounts controlled by Respondents show checks being paid to Daley at or about the dates he purportedly made the contributions noted above.

55. Daley purportedly made the contributions noted to the Manchin for West Virginia committee on or about the same date that three additional employees and/or associates of Respondents, Victor, his wife and his four children made similar contributions to that committee.

56. Upon information and belief, Victor caused the Manchin for West Virginia committee to falsely record that the contributions purportedly made by Daley were actually made by him, when, Daley was a "straw donor", with Victor and/or the Victor Entities making the actual contribution. In causing these false records to be generated and filed with the FEC, Victor and/or the Victor Entities violated 18 U.S.C. §1001(a).

57. Michael C.J. Vanderkemp ("Vanderkemp"), a resident of the State of New Jersey, was an employee of Victor and/or the Victor Entities during 2011 and 2012.

58. FEC records show that Vanderkemp purportedly made the following campaign contributions:

Name	Date	Recipient	Amount
Michael C.J. Vanderkemp	3/29/2011	Manchin for West Virginia	\$2,500.00
Michael C.J. Vanderkemp	3/29/2011	Manchin for West Virginia	\$2,500.00
<b>Total</b>			<b>\$5,000.00</b>

59. On March 29, 2011, Manchin for West Virginia was the principal campaign committee for Joe Manchin III, then a candidate for the office of United States Senator from West Virginia.

60. Upon information and belief, each of the contributions purportedly made by Vanderkemp were paid by Victor or one of the Victor entities. Prior to or shortly after Vanderkemp's transmittal of his purported contributions to the campaign committees noted, Victor or one of the Victor Entities paid to Vanderkemp amounts equal to the purported contributions.

61. Victor and/or the Victor Entities used Vanderkemp as a "straw donor" and, on each of the occasions noted above, made a contribution in the name of another in violation of 52 U.S.C. §30122 and 11 C.F.R. §110.4(b)(1).

62. Records that, upon information and belief, are maintained by, among others, Signature Bank with respect to accounts controlled by Respondents show checks being paid to Vanderkemp at or about the dates he purportedly made the contributions noted above.

63. Vanderkemp purportedly made the contributions noted to the Manchin for West Virginia committee on or about the same date that three additional employees and/or associates of Respondents, Victor, his wife and his four children made similar contributions to that committee.

64. Upon information and belief, Victor caused the Manchin for West Virginia committee to falsely record that the contributions purportedly made by Vanderkemp were actually made by him, when, Vanderkemp was a "straw donor", with Victor and/or the Victor Entities making the actual contribution. In causing these false records to be generated and filed with the FEC, Victor and/or the Victor Entities violated 18 U.S.C. §1001(a).

65. In total, Victor and/or the Victor Entities channeled at least \$30,500.00 in contributions to the principal committees for federal candidates by using employees and/or business associates of Victor's and/or the Victor Entities as "straw donors."

**Respondents Used Victor's Family Members As Straw Donors**

66. Jo-Ann Bruggerman ("Bruggerman"), a resident of the State of New York, is Victor's wife.

67. FEC records show that Bruggerman purportedly made the following campaign contributions:

Name	Date	Recipient	Amount
Jo-Ann Bruggerman	3/29/2011	Manchin for West Virginia	\$2,500.00
Jo-Ann Bruggerman	1/17/2012	Friends of Herman Cain	\$2,500.00
Total			\$5,000.00

68. On March 29, 2011, Manchin for West Virginia was the principal campaign committee for Joe Manchin III, then a candidate for the office of United States Senator from West Virginia.

69. On January 17, 2012, Friends of Herman Cain was the principal campaign committee for Herman Cain, then a candidate for the office of President of the United States.

70. Upon information and belief, each of the contributions purportedly made by Bruggerman were paid by Victor or one of the Victor entities. Prior to or shortly after Bruggerman's transmittal of her purported contributions to the campaign committees noted, Victor or one of the Victor Entities paid to Bruggerman amounts equal to the purported contributions.

71. Victor and/or the Victor Entities used Bruggerman as a "straw donor" and, on each of the occasions noted above, made a contribution in the name of another in violation of 52 U.S.C. §30122 and 11 C.F.R. §110.4(b)(1).

72. Records that, upon information and belief, are maintained by, among others, Signature Bank with respect to accounts controlled by Respondents show checks being paid to Bruggerman, at or about the dates she purportedly made the contributions noted above.

73. Bruggerman purportedly made the contribution noted to the Manchin for West Virginia committee on or about the same date that four employees and/or associates of Respondents, Victor and his four children made similar contributions to that committee.

74. Upon information and belief, Victor caused the Manchin for West Virginia and Friends of Herman Cain committees to falsely record that the contributions purportedly made by Bruggerman were actually made by her, when, Bruggerman was a "straw donor", with Victor and/or the Victor Entities making the actual contribution. In causing these

false records to be generated and filed with the FEC, Victor and/or the Victor Entities violated 18 U.S.C. §1001(a).

75. Adam Victor, Jr. ("Jr."), a resident of the State of New York, is Victor's son.

76. FEC records show that Jr. purportedly made the following campaign contributions:

Name	Date	Recipient	Amount
Adam Victor, Jr.	3/29/2011	Manchin for West Virginia	\$2,500.00
Adam Victor, Jr.	1/17/2012	Friends of Herman Cain	2,500.00
Total			\$5,000.00

77. On March 29, 2011, Manchin for West Virginia was the principal campaign committee for Joe Manchin III, then a candidate for the office of United States Senator from West Virginia.

78. On January 17, 2012, Friends of Herman Cain was the principal campaign committee for Herman Cain, then a candidate for the office of President of the United States.

79. Upon information and belief, each of the contributions purportedly made by Jr. were paid by Victor or one of the Victor entities. Prior to or shortly after Jr.'s transmittal of her purported contributions to the campaign committees noted, Victor or one of the Victor Entities paid to Jr. amounts equal to the purported contributions.

80. Victor and/or the Victor Entities used Jr. as a "straw donor" and, on each of the occasions noted above, made a contribution in the name of another in violation of 52 U.S.C. §30122 and 11 C.F.R. §110.4(b)(1).



81. Records that, upon information and belief, are maintained by, among others, Signature Bank with respect to accounts controlled by Respondents show checks being paid to Jr., at or about the dates he purportedly made the contributions noted above.

82. Jr. purportedly made the contribution noted to the Manchin for West Virginia committee on or about the same date that four employees and/or associates of Respondents, Victor, Victor's wife and his three other children made similar contributions to that committee.

83. Upon information and belief, Victor caused the Manchin for West Virginia committee to falsely record that the contributions purportedly made by Jr. were actually made by him, when, Jr. was a "straw donor", with Victor and/or the Victor Entities making the actual contribution. In causing these false records to be generated and filed with the FEC, Victor and/or the Victor Entities violated 18 U.S.C. §1001(a).

84. Alexia Victor ("Alexia"), a resident of the State of New York, is Victor's daughter.

85. FEC records show that Alexia purportedly made the following campaign contributions:

Name	Date	Recipient	Amount
Alexia Victor	3/29/2011	Manchin for West Virginia	\$2,500.00
Alexia Victor	3/29/2011	Manchin for West Virginia	2,500.00
Alexia Victor	1/17/2012	Friends of Herman Cain	2,500.00
Total			\$7,500.00

86. On March 29, 2011, Manchin for West Virginia was the principal campaign committee for Joe Manchin III, then a candidate for the office of United States Senator from West Virginia.

87. On January 17, 2012, Friends of Herman Cain was the principal campaign committee for Herman Cain, then a candidate for the office of President of the United States.

88. Upon information and belief, each of the contributions purportedly made by Alexia were paid by Victor or one of the Victor entities. Prior to or shortly after Alexia's transmittal of her purported contributions to the campaign committees noted, Victor or one of the Victor Entities paid to Alexia amounts equal to the purported contributions.

89. Victor and/or the Victor Entities used Alexia as a "straw donor" and, on each of the occasions noted above, made a contribution in the name of another in violation of 52 U.S.C. §30122 and 11 C.F.R. §110.4(b)(1).

90. Records that, upon information and belief, are maintained by, among others, Signature Bank with respect to accounts controlled by Respondents show checks being paid to Alexia, at or about the dates she purportedly made the contributions noted above.

91. Alexia purportedly made the contribution noted to the Manchin for West Virginia committee on or about the same date that four employees and/or associates of Respondents, Victor, Victor's wife and his three other children made similar contributions to that committee.

92. Upon information and belief, Victor caused the Manchin for West Virginia and Friends of Herman Cain committees to falsely record that the contributions purportedly made by Alexia were actually made by her, when, Alexia was a "straw donor", with Victor and/or the Victor Entities making the actual contribution. In causing these false records

to be generated and filed with the FEC, Victor and/or the Victor Entities violated 18 U.S.C. §1001(a).

93. Alia Victor ("Alia"), a resident of the State of New York, is Victor's daughter.

94. FEC records show that Alia purportedly made the following campaign contributions:

Name	Date	Recipient	Amount
Alia Victor	3/29/2011	Manchin for West Virginia	\$2,500.00
Alia Victor	3/29/2011	Manchin for West Virginia	\$2,500.00
Alia victor	1/17/2012	Friends of Herman Cain	\$2,500.00
Total			\$7,500.00

95. On March 29, 2011, Manchin for West Virginia was the principal campaign committee for Joe Manchin III, then a candidate for the office of United States Senator from West Virginia.

96. On January 17, 2012, Friends of Herman Cain was the principal campaign committee for Herman Cain, then a candidate for the office of President of the United States.

97. Upon information and belief, each of the contributions purportedly made by Alia were paid by Victor or one of the Victor entities. Prior to or shortly after Alia's transmittal of her purported contributions to the campaign committees noted, Victor or one of the Victor Entities paid to Alia amounts equal to the purported contributions.

98. Victor and/or the Victor Entities used Alia as a "straw donor" and, on each of the occasions noted above, made a contribution in the name of another in violation of 52 U.S.C. §30122 and 11 C.F.R. §110.4(b)(1).

99. Records that, upon information and belief, are maintained by, among others, Signature Bank with respect to accounts controlled by Respondents show checks being paid to Bruggerman, at or about the dates she purportedly made the contributions noted above.

100. Alia purportedly made the contribution noted to the Manchin for West Virginia committee on or about the same date that four employees and/or associates of Respondents, Victor, Victor's wife and his three other children made similar contributions to that committee.

101. Upon information and belief, Victor caused the Manchin for West Virginia and Friends of Herman Cain committees to falsely record that the contributions purportedly made by Alia were actually made by her, when, Alia was a "straw donor", with Victor and/or the Victor Entities making the actual contribution. In causing these false records to be generated and filed with the FEC, Victor and/or the Victor Entities violated 18 U.S.C. §1001(a).

102. Jo-Ayla Victor ("Jo-Ayla"), a resident of the State of New York, is Victor's daughter.

103. FEC records show that Jo-Ayla purportedly made the following campaign contributions:

Name	Date	Recipient	Amount
Jo-Ayla Victor	3/29/2011	Manchin for West Virginia	\$2,500.00
Jo-Ayla Victor	3/29/2011	Manchin for West	\$2,500.00

		Virginia	
Jo-Ayla Victor	1/17/2012	Friends of Herman Cain	\$2,500.00
<b>Total</b>			<b>\$7,500.00</b>

104. On March 29, 2011, Manchin for West Virginia was the principal campaign committee for Joe Manchin III, then a candidate for the office of United States Senator from West Virginia.

105. On January 17, 2012, Friends of Herman Cain was the principal campaign committee for Herman Cain, then a candidate for the office of President of the United States.

106. Upon information and belief, each of the contributions purportedly made by Jo-Ayla were paid by Victor or one of the Victor entities. Prior to or shortly after Jo-Ayla's transmittal of her purported contributions to the campaign committees noted, Victor or one of the Victor Entities paid to Jo-Ayla amounts equal to the purported contributions.

107. Victor and/or the Victor Entities used Jo-Ayla as a "straw donor" and, on each of the occasions noted above, made a contribution in the name of another in violation of 52 U.S.C. §30122 and 11 C.F.R. §110.4(b)(1).

108. Records that, upon information and belief, are maintained by, among others, Signature Bank with respect to accounts controlled by Respondents show checks being paid to Jo-Ayla, at or about the dates she purportedly made the contributions noted above.

109. Jo-Ayla purportedly made the contribution noted to the Manchin for West Virginia committee on or about the same date that four employees and/or associates of Respondents, Victor, Victor's wife and his three other children made similar contributions to that committee.

110. Upon information and belief, Victor caused the Manchin for West Virginia and Friends of Herman Cain committees to falsely record that the contributions purportedly made by Jo-Ayla were actually made by her, when, Jo-Ayla was a "straw donor", with Victor and/or the Victor Entities making the actual contribution. In causing these false records to be generated and filed with the FEC, Victor and/or the Victor Entities violated 18 U.S.C. §1001(a).

111. In total, Victor and/or the Victor Entities channeled at least \$30,000.00 in contributions to the principal committees for federal candidates by using members of Victor's family as "straw donors."

112. In using employees and/or business associates and Victor's family members as "straw donors", Victor and/or the Victor entities committed willful and knowing violations of the Act and 18 U.S.C. §1001(a).

#### **VICTOR'S MOTIVES FOR ESTABLISHING AND EXECUTING THE "STRAW DONOR" SCHEME**

113. Victor and the Victor Entities, in or around 2010, determined that they would enter the "alternative" energy field -- specifically, they decided to enter the coal-to-gas field, an industry which focuses on "refining" coal, such that it produces a liquid fuel similar to gasoline.

114. Respondents' plans in this regard centered on building a coal-to-gas plant in Mingo County, West Virginia.

115. Believing that his plans would benefit from political connections, Respondents began to make campaign contributions to West Virginia politicians and candidates.

116. TransGas Development Systems LLC ("TGDS"), one of the Victor Entities, received a permit from the Division of Air Quality of the West Virginia Department of Environmental Protection to construct a coal-to-gas plant in Wharmcliffe, Mingo County, West Virginia on or about February 25, 2010.

117. Upon information and belief, the construction permit was issued to TGDS prior to the effective date of certain regulations issued by the United States Environmental Protection Agency ("EPA") that would have adversely effected TGDS' ability to construct the facility.

118. With the permit issued prior to the effective date of the EPA regulations, construction of the facility was "grandfathered in" and could not be effected by the issuance of the new EPA regulations.

119. Upon information and belief, TGDS was able to obtain "fast track" consideration and approval of its application for the required construction permit because of political connections that Victor and/or the Victor Entities had established with West Virginia politicians and candidates, including Joe Manchin III, said connections having been established through contributions, including "straw donor" contributions, to the candidates' and politicians' campaigns.

120. Since the issuance of the construction permit, TGDS has done essentially nothing to further construction of the coal-to-gas facility.

121. Other than minor activities amounting to not much more than ceremonial groundbreaking, TGDS has undertaken no construction activity at the proposed site for the facility.

122. The permit that TGDS obtained was issued by the Division of Air Quality of the West Virginia Department of Environmental Protection pursuant to West Virginia Code of State Regulations ("W.Va.C.S.R.") §45-13.

123. Pursuant to W.Va.C.S.R. §45-13-10.2, "the Secretary [of Environmental Protection] may suspend or revoke a permit or general permit registration if, after (6) months from the date of issuance, the holder of the permit cannot provide the Secretary, at the Secretary's request, with written proof of a good faith effort that construction, modification, or relocation, if applicable, has commenced."

124. Victor is aware that, in failing to undertake *bona fide* construction pursuant to the permit, he is risking that the West Virginia Department of Environmental Protection could revoke the permit pursuant to W.Va.C.S.R. §45-13-10.2.

125. Victor attended a meeting with Kentucky officials regarding another TGDS proposed coal-to-gas facility to be built in Kentucky. At the meeting, one of the Kentucky officials asked if construction had commenced at the Mingo County site. Victor's assistant, Tiffany Takter, sent an e-mail summarizing the meeting to Victor and other employees of the Victor Entities. The e-mail contained the question "Are we under construction?". Upon seeing this e-mail Victor became frantic and angrily explained to his assistant how the email could have "ruined" the Mingo County project if it became public. He explained that the lack of construction would be the basis for revoking the construction permit for the site. Victor then called other employees who received the e-mail, instructing them to respond to the e-mail by telling his assistant that she was misrepresenting the meeting and that there had been no questions about the construction status of the Mingo County site.



126. Victor and/or the Victor Entities have continued to make campaign contributions to West Virginia candidates and politicians, through at least 2011 and 2012, including without limitation, to Joe Manchin III, because, among other things, they want to prevent governmental authorities from scrutinizing the construction efforts that TGDS has undertaken at the Mingo County site. Victor hopes that his campaign contributions and political connections could be used to block any efforts by the West Virginia Department of Environmental Protection to revoke the TGDS construction permit.

127. One of the issues that has vexed Victor and the Victor Entities with respect to the construction of the Mingo County coal-to-gas facility is that they have been unable to obtain financing sufficient to build the facility.

128. Despite his efforts, Victor has been unable to find any person or entity willing to provide the \$3-4 billion necessary to build the coal-to-gas facility.

129. As oil prices have plummeted over the past eighteen months or so, the Mingo County facility has become completely unviable economically -- the coal-to-gas process cannot produce gasoline that is price competitive with gasoline refined from oil with oil costing approximately \$30 per barrel.

130. Since 2010, as Victor failed to secure financing for his facility and later watched the price of oil drop to levels that shut his planned coal-to-gas facility out of the market, he nonetheless found other, darker uses for the political connections he forged with his "straw donor" political contributions.

131. In short, Victor used his political connections and third parties' perception of his political connections to intimidate and sexually harass women he employed and encountered through his work.

132. One example of Victor's use of his political connections gained through his "straw donor" contributions related to a pilot who was an employee of the company that managed Victor's two jet airplanes and regularly flew Victor when he used the planes.

133. The pilot wanted to join the United States Air Force as a pilot, but she needed a waiver from the Air Force because she was slightly older than the age limit set by the Air Force.

134. The pilot explained the situation to Victor and he readily agreed to seek Senator Joe Manchin III's assistance in securing the waiver. Victor's "price" for interceding with Senator Manchin was that the pilot would have to show him her "tits."

135. Victor explained this arrangement to the undersigned in a conversation that took place at or about July 26, 2013.

136. Further examples of Victor's sexual harassment of the pilot are outlined in Defendants' Amended Cross-Complaint filed February 2, 2015 in the case styled *Transnational Management Systems LLC, et al. v. Pegasus Elite Aviation, Inc., et al.*, Case No. LC100724 (Sup. Ct. of Cal. L.A. Co.)(2013).

137. Another example of Victor's use of his apparent political connections involved Yevgenia Khatskevich ("Khatskevich"), an employee of Victor's and the Victor Entities'.

138. Shortly after Khatskevich began working for Victor and the Victor Entities, Victor promised Khatskevich that, through one of his companies, he would apply for an H-1-B visa for her, allowing her to work in the United States legally for five years.

139. During the entire period that Khatskevich worked for Victor and the Victor Entities, Victor subjected her to nearly constant sexual harassment, including both a thoroughly hostile work environment and *quid pro quo* harassment.

140. In or around April 2013, Victor, through TGDS, applied for an H-1-B visa to be issued to Khatskevich.

141. Victor told Khatskevich repeatedly that he was "calling in" a favor from Senator Manchin, whose office was helping TGDS to obtain the visa.

142. During the period in which the visa application was pending, Victor would often remind Khatskevich that he was close to Manchin and that she would not get the visa without this connection.

143. During the period in which the visa application was pending, Victor would often remind Khatskevich that he was close to Manchin and that with "one phone call to Manchin" he could have her deported.

144. Victor used his apparent connection with Senator Manchin, which connection was largely built on his "straw donor" campaign contribution scheme, to intimidate and isolate Khatskevich so that he could continue to subject her to his lecherous behavior and sexual harassment.

145. Khatskevich viewed Victor's bragging about his connection with Senator Manchin as a threat to her.

146. A complete description of Victor's outrageous harassment of Khatskevich is contained in the Verified Complaint she filed in the case styled *Khatskevich v. Victor, et al.*, Index No. 151658/2014 (Sup. Ct. N.Y. Co. 2014)(Hagler, J.).

147. Another example of Victor's use of his apparent political connections involved Nazym Toktassynova ("Tuktassynova"), an employee of Victor's and the Victor Entities'.

148. Shortly after Toktassynova began working for Victor and the Victor Entities, Victor suggested to her that, through one of his companies, he might apply for an H-1-B visa for her, allowing her to work in the United States legally for five years.

149. The period during which Toktassynova worked for Victor and the Victor Entities overlapped with the period during which Khatskevich also worked for Victor and the Victor Entities by approximately two months.

150. After Khatskevich left her employment with Victor and the Victor Entities, Toktassynova continued to work for Victor and the Victor Entities for approximately eight months. during this period, Victor continuously dangled the possibility that he would obtain an H-1-B visa for Toktassynova.

151. Victor also told Toktassynova repeatedly that he might use his connections with Senator Manchin to ease the process of obtaining the visa.

152. Victor also repeatedly used Toktassynova to transmit threats to Khatskevich, with whom Victor was obsessed; these threats included the threat that with "one phone call to Manchin" he could have Khatskevich deported.

153. Victor also made direct threats to Toktassynova about using his connections with Senator Manchin to have her deported with "one phone call."

154. During the entire period that Toktassynova worked for Victor and the Victor Entities, Victor subjected her to nearly constant sexual harassment, including both a thoroughly hostile work environment and *quid pro quo* harassment.

155. While he constantly dangled the possibility of an H-1B visa in front of Toktassynova, Victor never caused any of his companies to apply for a visa for her. He nonetheless repeatedly told her that he could have her deported with a single phone call.

156. Victor used his apparent connection with Senator Manchin, which connection was largely built on his "straw donor" campaign contribution scheme, to intimidate and isolate Toktassynova so that he could continue to subject her to his lecherous behavior and sexual harassment.

157. Toktassynova viewed Victor's bragging about his connection with Senator Manchin as a threat to her.

158. A complete description of Victor's outrageous harassment of Khatskevich is contained in the Verified Complaint she filed in the case styled *Toktassynova v. Victor, et al.*, Index No. 162327/2014 (Sup. Ct. N.Y. Co. 2014)(Hagler, J.).

#### **RELIEF REQUESTED**

159. Erdman incorporates by reference each allegation in ¶¶1 - 159 as if set forth in full at this point.

160. Based on Respondents' knowing and willful violations of the Act and regulations promulgated pursuant to it, Erdman respectfully requests that the FEC grant and pursue the following forms of relief:

- A. Make a determination that the violations of the Act committed by Victor and/or the victor Entities were knowing and willful;
- B. Investigate this complaint due to the knowing and willful violations of the Act committed by Victor and/or the Victor Entities;
- C. Bring a civil action against Victor and the Victor Entities to remedy their knowing and willful violations of the Act and in such civil action seek appropriate injunctive relief in addition to maximum civil penalties;

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D. Refer this matter to the Attorney General of the United States for criminal prosecution under the Act; and

E. Seek in any court proceeding based on this matter other relief as may be deemed just and proper.

Dated: New York, New York  
January 29, 2016

By: Tyler Erdman  
Tyler Erdman

Weston, Connecticut 06883

Subscribed and sworn to before me this the 29th day of January 2016.

Ashleigh F. Walsh  
Notary Public

My commission expires 4/25/19

ASHLEIGH F. WALSH  
NOTARY PUBLIC-STATE OF NEW YORK  
No. 01WA6239801  
Qualified in New York County  
My Commission Expires April 25, 2019

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